

# Your Exam Content Outline

The following outline describes the content of one of the Massachusetts insurance examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weights assigned to each part of the examination. For example, 10 percent means that 6 questions will be drawn from the section on a 60-question exam, 10 will be drawn on a 100-question exam and 15 will be drawn on a 150-question exam.

## Massachusetts Public Adjuster Examination Series 16-58

**100 questions (plus 5 unscored items)-  
2-hour time limit  
Live Date August 25, 2019**

### 1.0 Insurance Regulation 10% (10 Items)

- 1.1 Licensing requirements** (175:162)
  - Qualifications (175:172)
  - Process (175:172)
  - Fees (175:14)
- 1.2 Maintenance and duration**
  - Renewal (175:172)
  - Contract requirements (175:172)
  - Continuing education requirements (175:172)
- 1.3 Disciplinary actions**
  - Cease and desist orders (176D:7)
  - Suspension and revocation (175:172)
  - Penalties and fines (175:172; 176D:7, 10)
- 1.4 Claim settlement laws and regulations**  
(176D:3(9))
- 1.5 State regulation**
  - Unfair or deceptive insurance practices (176D:3)

### 2.0 Insurance Basics 5% (5 Items)

- 2.1 Contract basics**
  - Elements of a legal contract
    - Offer and acceptance
    - Consideration
    - Competent parties
    - Legal purpose
  - Distinct characteristics of an insurance contract
    - Contract of adhesion
    - Aleatory contract
    - Personal contract
    - Conditional contract
  - Legal interpretations affecting contracts
    - Ambiguities in a contract of adhesion
    - Reasonable expectations
    - Indemnity
    - Utmost good faith
    - Representations/misrepresentations
    - Warranties

- Concealment
- Fraud
- Waiver and estoppel
- 2.2 Insurance principles and concepts**
  - Insurable interest
  - Direct loss
  - Basic types of construction
  - Loss valuation
    - Actual cash value
    - Replacement cost
    - Functional replacement cost
    - Market value
    - Agreed value
    - Stated amount
    - Valued policy
- 2.3 Policy structure**
  - Declarations
  - Definitions
  - Insuring agreement or clause
  - Additional/supplementary coverage
  - Conditions
  - Exclusions
  - Endorsements
- 2.4 Common policy provisions**
  - Policy period
  - Policy territory
  - Cancellation and nonrenewal
  - Deductibles
  - Other insurance
    - Nonconcurrency
    - Primary and excess
    - Pro rata
  - Policy limits
  - Restoration/nonreduction of limits
  - Coinurance
  - Vacancy or unoccupancy
  - Assignment
  - Liberalization
  - Third-party provisions
    - Standard mortgage clause
    - Loss payable clause
- 2.5 Massachusetts laws, regulations and required provisions**
  - Massachusetts Insurers Insolvency Fund (175D:1–17)
  - Massachusetts standard fire policy (175:99)

Concealment, misrepresentation or fraud (175:99, 186)  
Certificate of municipal lien (175:97A)  
Federal Terrorism Insurance Program (15 USC 6701; Public Law 107-297, 109-144, 110-160)

### 3.0 Adjusting Losses 25% (25 Items)

#### 3.1 Role of the adjuster

Duties and responsibilities  
Independent adjuster versus public adjuster  
Relationship to the legal profession

#### 3.2 Property losses

Duties of insured after a loss  
Notice to insurer (175:102)  
Minimizing the loss  
Proof of loss  
Special requirements  
Production of books and records  
Abandonment  
Determining value and loss  
Burden of proof of value and loss  
Estimates  
Depreciation  
Salvage

Claim settlement options  
Payment and discharge

#### 3.3 Claims adjustment procedures

Subrogation procedures  
Alternative dispute resolution (175:99, 100, 101)

### 4.0 Dwelling Policy 12% (12 Items)

#### 4.1 Characteristics and purpose

#### 4.2 Coverage forms — Perils insured against

Basic  
Broad  
Special

#### 4.3 Property coverages

Coverage A — Dwelling  
Coverage B — Other structures  
Coverage C — Personal property  
Coverage D — Fair rental value  
Coverage E — Additional living expense  
Other coverages

#### 4.4 General exclusions

#### 4.5 Conditions

#### 4.6 Selected endorsements

Special provisions — Massachusetts (DP 01 20)  
Automatic increase in insurance (DP 04 11)  
Broad theft coverage (DP 04 72)  
Dwelling under construction (DP 11 43)

### 5.0 Homeowners Policy — Section I 18% (18 Items)

#### 5.1 Coverage forms

HO-2 through HO-6

#### 5.2 Definitions

#### 5.3 Section I — Property coverages

Coverage A — Dwelling  
Coverage B — Other structures  
Coverage C — Personal property  
Coverage D — Loss of use  
Additional coverages

#### 5.4 Perils insured against

#### 5.5 Exclusions

#### 5.6 Conditions

#### 5.7 Selected endorsements

Special provisions — Massachusetts (HO 01 20)  
Limited fungi, wet or dry rot, or bacteria coverage (HO 05 37, HO 05 38, HO 05 39)  
Permitted incidental occupancies — residence premises (HO 04 42)  
Earthquake (HO 04 54)  
Scheduled personal property (HO 04 61)  
Personal property replacement cost (HO 04 90)  
Home day care (HO 04 97)

### 6.0 Commercial Package Policy (CPP) 14% (14 Items)

#### 6.1 Components of a commercial policy

Common policy declarations  
Common policy conditions  
Interline endorsements  
One or more coverage parts

#### 6.2 Commercial property

Commercial property conditions form  
Coverage forms  
Building and personal property  
Condominium association  
Condominium commercial unit-owners  
Builders risk  
Business income  
Extra expense  
Cause of loss forms  
Selected endorsements  
Ordinance or law (CP 04 05)  
Spoilage (CP 04 40)  
Peak season limit of insurance (CP 12 30)  
Value reporting form (CP 13 10)

#### 6.3 Commercial crime

General definitions  
Burglary  
Theft  
Robbery  
Coverages  
Employee theft  
Forgery or alteration  
Inside the premises — theft of money and securities

- Inside the premises — robbery or safe burglary of other property
- Outside the premises
- Computer fraud
- Funds transfer fraud
- Money orders and counterfeit money
- Other crime coverages
  - Kidnap/ransom and extortion (CR 00 40)
  - Extortion — commercial entities (CR 04 03)
  - Lessees of safe deposit boxes (CR 04 09)
  - Securities deposited with others (CR 04 10)
  - Guests' property (CR 04 11)
  - Safe depository (CR 04 12)

Coverages  
Limits

**6.4 Commercial inland marine**

- Nationwide marine definition (Reg 211 CMR 10.00)
- Commercial inland marine conditions form
- Inland marine coverage forms
  - Accounts receivable
  - Contractors equipment floater
  - Electronic data processing
  - Equipment dealers
  - Installation floater
  - Signs
  - Valuable papers and records

**6.5 Equipment breakdown**

- Equipment breakdown protection coverage form (EB 00 20)
- Selected endorsement
  - Actual cash value (EB 99 59)

**7.0 Businessowners Policy — Property 15% (15 Items)**

**7.1 Characteristics and purpose**

**7.2 Businessowners Section I — Property**

- Coverage
- Exclusions
- Limits of insurance
- Deductibles
- Loss conditions
- General conditions
- Optional coverages
- Definitions

**7.3 Businessowners Section III — Common Policy Conditions**

**7.4 Selected endorsements**

- Protective safeguards (BP 04 30)
- Utility services — direct damage (BP 04 56)
- Utility services — time element (BP 04 57)

**8.0 Other Coverages and Options 1% (1 Item)**

**8.1 National Flood Insurance Program**

- "Write your own" versus government
- Eligibility